

ASSEMBLY BILL

No. 287

Introduced by Assembly Member Nava

February 9, 2007

An act to add Sections 17053.36 and 23636 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 287, as introduced, Nava. Personal income and corporation taxes: credits: freeze relief: wages.

The Personal Income Tax Law and Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would additionally authorize a tax credit for each taxable year beginning on or after January 1, 2007, to a qualified taxpayer who is an agricultural employer that conducted an active agricultural trade or business in a county that had a state of emergency, as declared by the Governor, as a result of extreme low temperatures and freezing conditions that began on January 11, 2007, in an amount equal to 40% of the amount of wages paid to a qualified employee, as defined.

This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.36 is added to the Revenue and
- 2 Taxation Code, to read:

1 17053.36. (a) For each taxable year beginning on or after
2 January 1, 2007, there shall be allowed to a qualified taxpayer as
3 a credit against the “net tax,” as defined by Section 17039, an
4 amount equal to 40 percent of the amount of wages paid to each
5 qualified employee.

6 (b) The credit under this section shall not apply to wages paid
7 in excess of six thousand dollars (\$6,000) during a taxable year
8 by a qualified taxpayer to the same individual.

9 (c) For purposes of this section:

10 (1) “Qualified county” means a county that is included in the
11 state of emergency, as declared by the Governor, as a result of
12 extreme low temperatures and freezing conditions that began on
13 January 11, 2007.

14 (2) “Qualified employee” means an agricultural employee of a
15 qualified taxpayer whose principal place of employment on January
16 12, 2007, with the qualified taxpayer was in a qualified county.

17 (3) “Qualified taxpayer” means any agricultural employer that
18 conducted an active agricultural trade or business in a qualified
19 county and whose trade or business in that qualified county was
20 inoperable on any day on and after January 12, 2007, as a result
21 of damage sustained in connection with the extreme low
22 temperatures and freezing conditions that began on January 11,
23 2007, for which a state of emergency was declared by the
24 Governor.

25 (d) If the credit allowed by this section exceeds the “net tax,”
26 the excess may be carried over to reduce the “net tax” in the
27 following year, and succeeding years if necessary until the credit
28 is exhausted.

29 SEC. 2. Section 23636 is added to the Revenue and Taxation
30 Code, to read:

31 23636. (a) For each taxable year beginning on or after January
32 1, 2007, there shall be allowed to a qualified taxpayer as a credit
33 against the “tax,” as defined by Section 23036, an amount equal
34 to 40 percent of the amount of wages paid to each qualified
35 employee.

36 (b) The credit under this section shall not apply to wages paid
37 in excess of six thousand dollars (\$6,000) during a taxable year
38 by a qualified taxpayer to the same individual.

39 (c) For purposes of this section:

1 (1) “Qualified county” means a county that is included in the
2 state of emergency, as declared by the Governor, as a result of
3 extreme low temperatures and freezing conditions that began on
4 January 11, 2007.

5 (2) “Qualified employee” means an agricultural employee of a
6 qualified taxpayer whose principal place of employment on January
7 12, 2007, with the qualified taxpayer was in a qualified county.

8 (3) “Qualified taxpayer” means any agricultural employer that
9 conducted an active agricultural trade or business in a qualified
10 county and whose trade or business in that qualified county was
11 inoperable on any day on and after January 12, 2007, as a result
12 of damage sustained in connection with the extreme low
13 temperatures and freezing conditions that began on January 11,
14 2007, for which a state of emergency was declared by the
15 Governor.

16 (d) If the credit allowed by this section exceeds the “tax,” the
17 excess may be carried over to reduce the “tax” in the following
18 year, and succeeding years if necessary until the credit is exhausted.

19 SEC. 3. This act provides for a tax levy within the meaning of
20 Article IV of the Constitution and shall go into immediate effect.